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The Trend in Wholesale Prices for the Products of American Farms During the War Period

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THE chart on the next page pictures the relative increase in the wholesale price of farm products through 1913 up to 1920 by months as compared with the increase in the wholesale price of all other commodities. The index numbers used for both curves are those prepared by the Bureau of Labor Statistics. The prices for the year 1913 are taken as equal to one hundred in both curves. The price on all farm products has increased more rapidly than has the price for all commodities including farm products. As a basis for comparison, this chart also includes the relative increases in the values (dollars) of (1) all crops, (2) animals and animal products and (3) all farm products.

While this chart shows that the prices of all farm products have kept pace with and exceeded the increase in the price of all commodities, an examination of prices by products shows that the wholesale prices for meats and for poultry and dairy products did not rise as rapidly as did the prices for all commodities nor for all farm products.

Charts Nos. 2 and 3 on page 45 from the bulletins of the War Industries Board show the relative wholesale prices of (a) poultry and dairy products and (b) livestock, meats and fats as compared with the prices of all commodities from January, 1913, to December, 1918, inclusive. In

neither of those groups of commodities did prices increase as rapidly as did the general price level.

Chart No. 4 on page 47 compares the increase in the price received by the milk producer in the Philadelphia and Pittsburg districts from 1913 to 1919 inclusive with the relative increase in the price of all other commodities. As shown by the years 1913 and 1914 the normal seasonal variation in price to milk producers is above and below the current price level. In 1916 the price to producers in the season of greatest production fell as low as the price for milk in previous seasons, while the prices of all other commodities tended upward. In the years 1915, 1916 and 1917 the price of milk to these producers did not increase as rapidly as did the general price level. In 1918 and 1919, however, the milk producer in these districts received a seasonal increase above as well as below the price level of other commodities and an annual average price equal to the price level of other commodities. During 1918 and 1919 the milk producer in these districts was getting a price for his product fully equal to the price increase in all other commodities. In these territories, therefore, while the prices to milk producers lagged in 1915, 1916 and 1917, they fairly caught up with the current price level in 1918 and 1919.

I have used as a basis for this com-

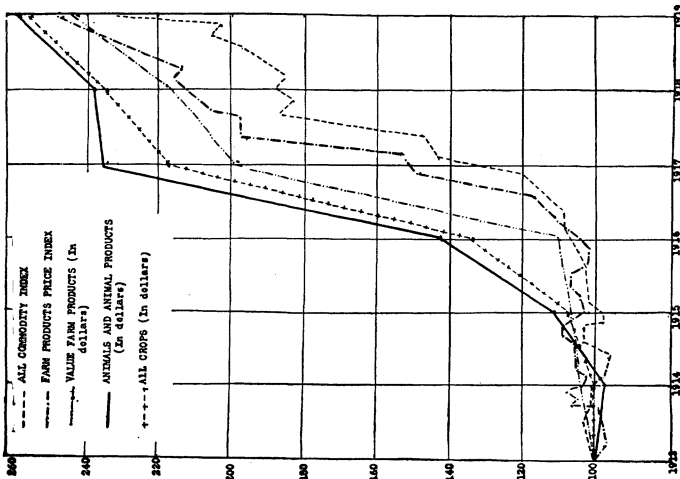


CHART No. 1

WHOLESALE PRICE OF FARM PRODUCTS AND ALL COMMODITIES AND RELATIVE INCREASE IN THE VALUE OF ALL CROPS, ANIMAL PRODUCTS AND ALL FARM PRODUCTS, 1913=100.

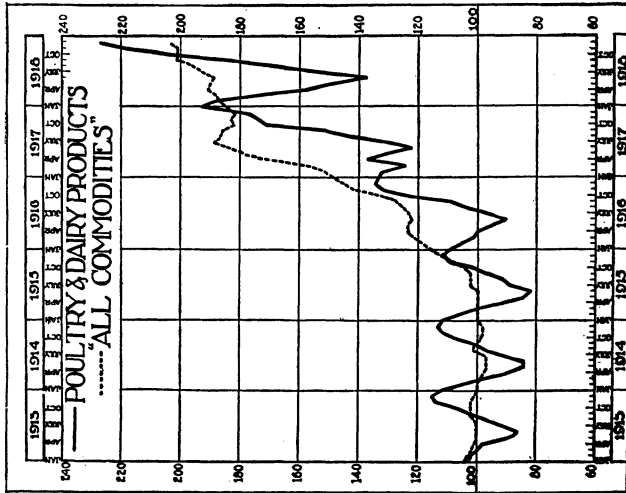


CHART No. 2

RELATIVE WHOLESALE PRICES RECEIVED FOR POULTRY AND DAIRY PRODUCTS, 1913-1918, COMPARED WITH THE WHOLESALE PRICE RECEIVED BY PRODUCERS *

* From *War Industries Board Bulletin No. 21*, page 6. Relative Prices of Poultry: Dressed Fowls, western; live fowls, choice—by months, January, 1913, to December, 1918. (Average quoted prices, July, 1913, to June, 1914 = 100.)

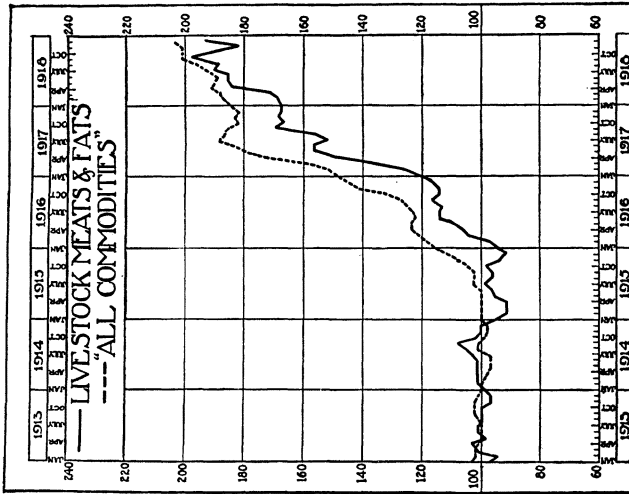


CHART No. 3

THE RELATIVE PRICES OF LIVESTOCK, MEATS, AND FATS AS COMPARED WITH ALL OTHER COMMODITIES, JANUARY, 1913, TO DECEMBER, 1918 *

* Weighted Index Number by months. (Average quoted prices for July, 1913, to June, 1914 = 100.)

parison the average wholesale price from July, 1913, to June, 1914, as equal to one hundred both for all commodities and for the price to producers of milk. This average base price for this period was \$1.49 per cwt. to the producer at the country receiving station in the Pittsburg territory as compared with \$1.64 at the country receiving station in the Philadelphia district. For many a month during the war period the producers in both of these districts received identical prices. The Philadelphia curve showing price to producers has not the extremes of the producers' curve in Pittsburg just because the base or divisor was fifteen cents per cwt. higher in the Philadelphia district.

To this method of finding out whether the dollar of the milk producer now purchases as much as it did before the war, producers can urge three objections: One is that their price from July, 1913, to June, 1914, was not a fair price. Prices for farm products depend as much upon what else a farmer can do with his farm and his labor as upon the cost of producing some one product, such as milk. On the basis of this comparison it would be difficult now for the producer to prove that this base price was not fair. But even if reasonable corrections were made by increasing it, the dollar of the milk producer will still buy now by this test just about what it bought in 1913 and in 1914.

Another objection that may be urged is that other groups in the cities are getting relatively much more than they were getting in 1913 and 1914. On this point, however, the probabilities are that all groups on the average are in about the same position as to

real purchasing power, that they were before the war. Statistical averages indicate that the only exception to this rule is the larger profit of manufacturers and a higher increase to a few classes of wage earners, though most wage earners are no better off and some, such as teachers, much worse off than they were in 1913 and 1914. The milk producer may also claim that prices of feeds going into milk have increased more rapidly than has the price received for milk. This is no doubt true for some months, but is certainly not true for all months since 1913. Pittsburg milk producers last year, however, received a price above the prices prevailing in other primary markets especially for the latter months of that year.

Producers of meats and of milk in general have not received price advances proportional to their costs nor proportional to the price advances for all farm products nor for all commodities. Sheep producers are the only exceptions to this rule.

These facts are emphasized by Chart No. 5 on page 47 which compare the increase in wholesale prices for (a) beef cattle, (b) milk cows, (c) sheep, (d) hogs, (e) mules, (f) horses and (g) corn. All of these price curves use 1913 as a basis for comparison. As compared with 1913 the production of sheep decreased while that of hogs, mules, horses, milk cows and beef cattle slightly increased.

WAGES FOR AGRICULTURAL LABORERS

The story of wages for agricultural labor during the war period is quickly read in Chart No. 6 on page 47. In this chart the wages paid for farm labor without board by years as re-

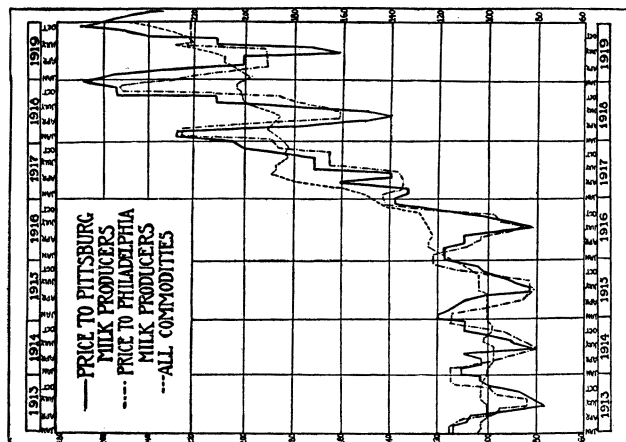


CHART No. 4

THE RELATIVE INCREASE IN THE PRICE OF MILK TO PRODUCERS IN THE PITTSBURGH DISTRICT AS COMPARED WITH THE INCREASE IN THE PRICE OF ALL OTHER COMMODITIES, 1913 TO 1918, AND WITH THE INCREASE IN PRICE TO PHILADELPHIA PRODUCERS. (The average prices for July, 1913, to June, 1914 = 100.)

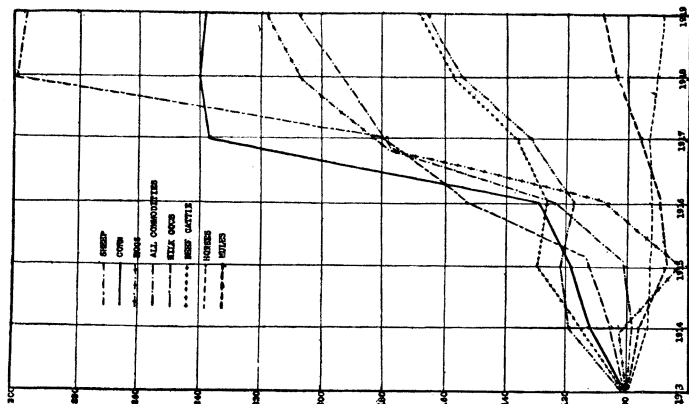


CHART No. 5

WHOLESALE PRICES FOR BEEF CATTLE, MILK COWS, SHEEP, CORN, HOGS, HORSES, MULES AND ALL COMMODITIES, 1913-1919. (AVERAGE WHOLESALE PRICES FOR 1913 = 100.)

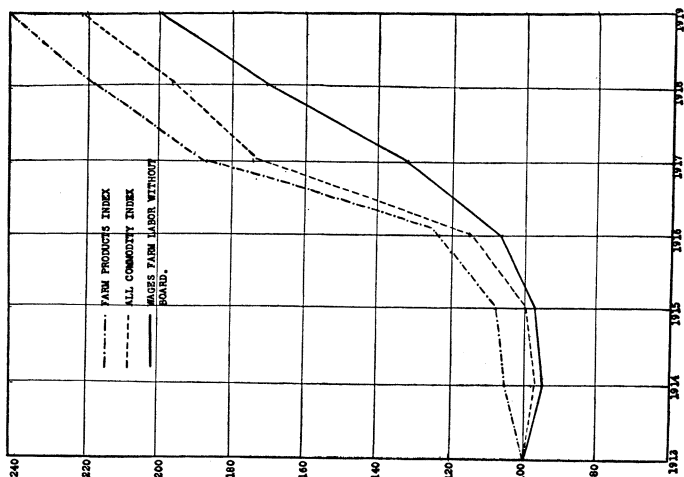


CHART No. 6

WAGES PAID FOR FARM LABOR WITHOUT BOARD COMPARED WITH INCREASE IN THE WHOLESALE PRICE FOR ALL COMMODITIES AND THE INCREASE IN THE WHOLESALE PRICE FOR ALL FARM PRODUCTS, 1913-1919. (WAGES AND PRICES FOR 1913 = 100.)

ported in the Monthly Labor Review is compared with (a) the increase in prices for all commodities and (b) the increase in the wholesale prices of all farm products. The wage taken for farm labor is the average reported for day labor for harvest and day labor not at harvest. The wages quoted are as follows:¹

	By the Month		Day Labor at Harvest (1)		Day Labor Not at Harvest (2)	
	With Board	Without Board	With Board	Without Board	With Board	Without Board
1913.....	21.38	30.31	1.57	1.94	1.16	1.50
1914.....	21.05	29.88	1.55	1.91	1.13	1.45
1915.....	21.26	30.15	1.56	1.92	1.13	1.47
1916.....	23.25	32.83	1.69	2.08	1.25	1.62
1917.....	28.87	40.43	2.08	2.54	1.56	2.02
1918.....	34.92	47.07	2.65	3.22	2.07	2.63
1919.....	39.82	56.29	3.15	3.83	2.45	3.12

It is difficult to get an exact statement as to increases in the wages in the different industries. In the iron and steel industry wages have just kept pace with the general price level. In the clothing industry, in which workers were underpaid before the war, wages have increased more rapidly than did the general price level. In most industries however wages did not keep pace with living costs. Chart No. 7 from the New York State Industrial Commission *Labor Market Bulletin* can probably be taken as typical for wage increases generally. This chart compares the increase in

¹ Average for the United States, Monthly Crop Reporter, December, 1919.

weekly earnings for employes in both office and shop in New York State with the increase in retail food prices. A comparison of these two charts will show that wages for agricultural laborers not only have failed to keep pace with living costs but have also failed to keep pace with the increases in wages in American industries.

PRODUCTION OF AMERICAN FARMS
DURING THE WAR PERIOD

Production of the leading products of American farms increased during the war period. Assuming 1913 as equal to one hundred Chart No. 8 on the next page shows for each year as of January first from 1913 to 1919 inclusive the total number of hogs, beef cattle, milk cows, sheep, horses and mules on the farms of this country. Chart No. 9 shows the production relatively for each of these years for corn, wheat, oats and cotton. In Chart No. 10 the relative increase and decrease in the exports of each of these commodities are given separately except that exports of "cattle" include both milk cows and beef cattle.

These charts show that production has increased for corn, wheat, oats, hogs, beef cattle, milk cows, horses and mules and decreased only for sheep and cotton. These also show that exports increased for wheat and oats, hogs, cattle and mules and decreased for corn, cotton, sheep and horses. The export trade has played an important part in price forces.

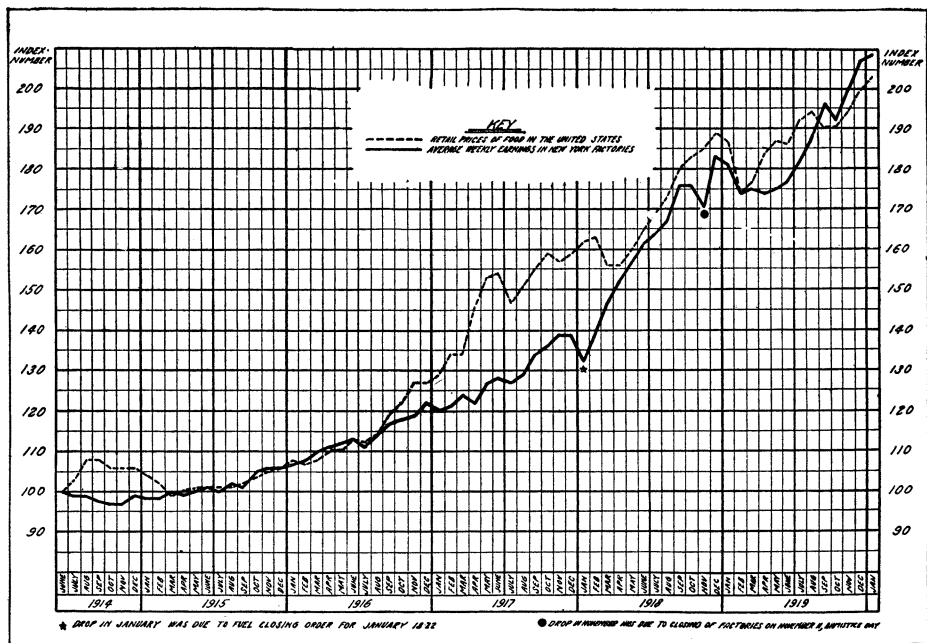


CHART No. 7

COMPARISON OF COURSE OF AVERAGE WEEKLY EARNINGS IN NEW YORK STATE FACTORIES WITH COURSE OF RETAIL FOOD PRICES IN THE UNITED STATES.

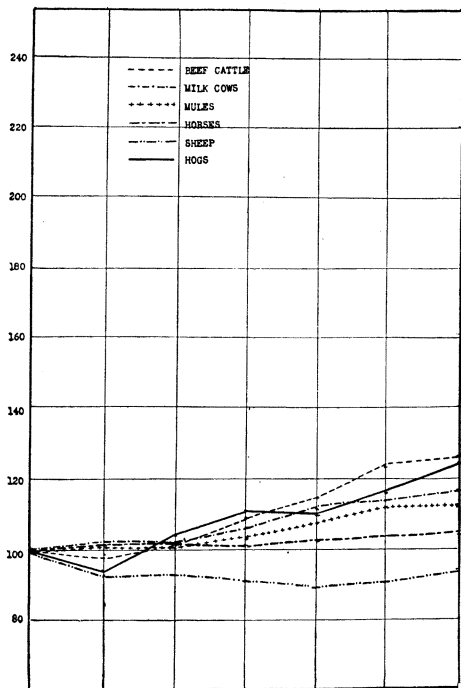


CHART No. 8

TOTAL NUMBER OF HOGS, BEEF CATTLE, MILK COWS, SHEEP, HORSES AND MULES ON THE FARMS IN THE UNITED STATES, 1913-1919. NUMBER IN 1913=100.

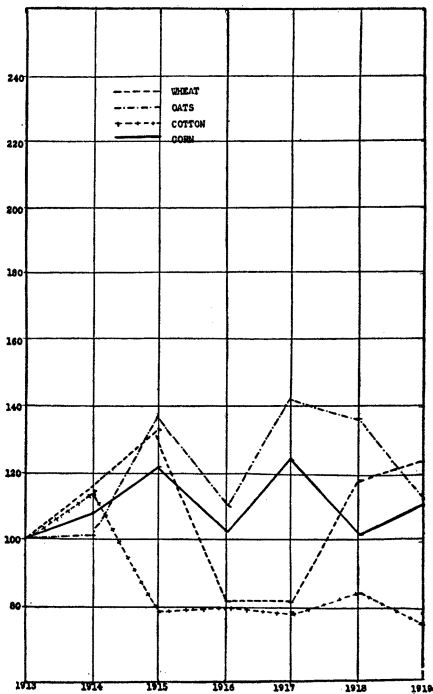


CHART No. 9

PRODUCTION OF CORN, WHEAT, OATS AND COTTON, 1913-1919. PRODUCTION IN 1913=100.

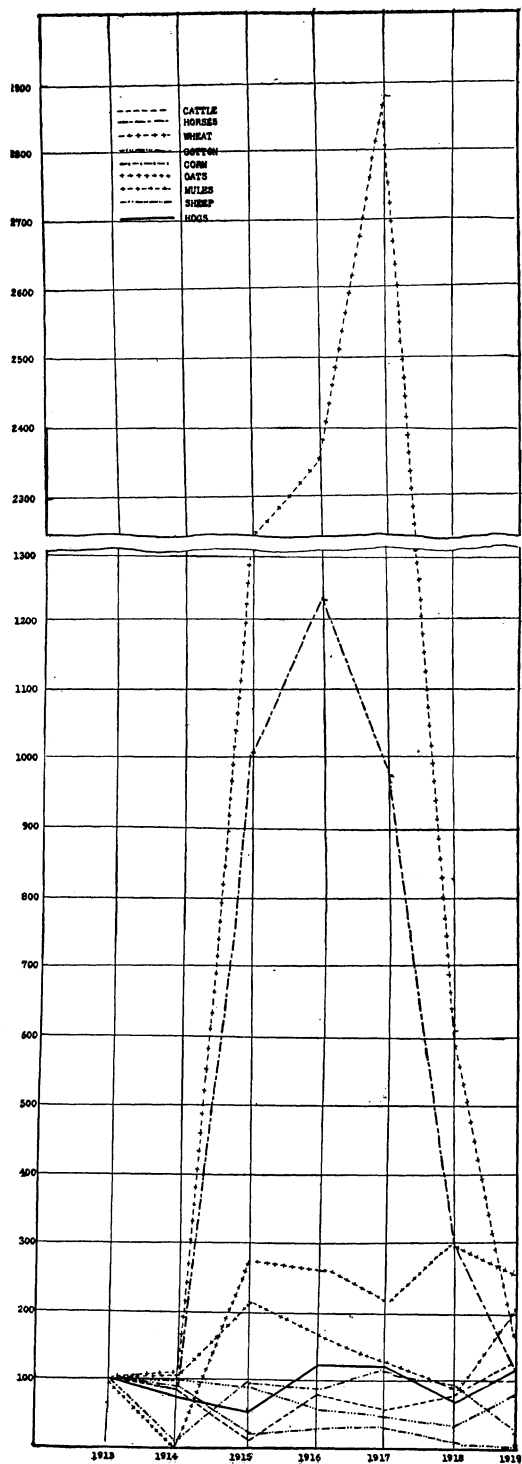


CHART No. 10

EXPORTS OF CORN, WHEAT, COTTON, OATS, HOGS, CATTLE, SHEEP, HORSES AND MULES FROM THE UNITED STATES, 1913-1919.
EXPORTS FOR 1913 = 100.